



Trade Facts

From the Office of the United States Trade Representative
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FREE TRADE WITH MOROCCO *Helping to Solidify Economic Reforms*

Morocco: A Dynamic Market

- Morocco, an emerging market at the crossroads of Europe, Africa and the Middle East, forms an \$11 billion import market.
- U.S. exports to Morocco average \$475 million annually, with leading exports including aircraft, corn and machinery.
- There are significant growth prospects for other U.S. products such as wheat, oilseeds and feed grains, and products and services in the energy, tourism and environmental areas.

Promoting Economic Reforms

- The democratically elected Moroccan government has launched a comprehensive economic reform program aimed at reducing inflation, developing the tourism sector and liberalizing and privatizing key sectors such as telecommunications. The FTA, with its emphasis on the rule of law, improved competition and trade liberalization, will enhance and solidify these reforms.
- The Government of Morocco, with the strong support of King Mohamed VI, has launched an initiative to streamline investment procedures and eliminate barriers to foreign and domestic investment. The FTA also will contain provisions to help improve Morocco's investment climate and protect U.S. investments.

"Morocco is implementing significant economic and political reforms; an FTA with the United States will help to support and accelerate Morocco's embrace of the modern world economy."

*Robert B. Zoellick
U.S. Trade Representative*

Leveling the Playing Field for U.S. Products

- In the negotiations, the U.S. will seek to eliminate tariffs and other duties on trade between Morocco and the United States on the broadest possible basis, improve intellectual property rights protection and eliminate barriers in Morocco's services markets. The U.S. will also strive to establish fair and predictable rules for government procurement and to ensure that Morocco's customs operations are conducted with efficiency and transparency.

Free Trade With Morocco

Helping to Solidify Economic Reforms

- Morocco has begun implementing an association agreement with the European Union (EU), which provides preferential tariff treatment for most EU industrial and some agricultural exports to Morocco, putting American producers at a comparative disadvantage. The FTA will improve U.S. exporters' competitiveness in this market.
- At present, U.S. products entering Morocco face an average 20 percent tariff rate, while Moroccan products are subject to an average tariff rate of only 4 percent in the United States. The FTA will create duty-free treatment for Moroccan and U.S. goods alike, facilitating increased trade and investment.

Sending A Strong Signal to the Region

- President Bush and King Mohamad VI's April 2002 announcement to pursue free trade with Morocco deepens our trade dialogue and sends a concrete signal to the Middle East about the benefits of economic and trade liberalization. The Administration's commitment to liberalized trade with a moderate Arab state in the Middle East shows the benefits of the development of tolerant, open, and prosperous societies.

Trade Capacity Building

- The United States is refocusing its existing development assistance program to link it more closely with the FTA and help Morocco to meet the FTA's significant obligations. In addition to trade capacity building, U.S. technical assistance will help Morocco in critical areas such as agriculture sector reform.

Part of America's Trade Liberalizing Strategy

- The United States seeks to liberalize trade through multilateral, regional and bilateral initiatives. An FTA with Morocco is a critical element of this strategy.
- The WTO was founded in Marakesh, Morocco. The bilateral benefits of an FTA with Morocco will complement U.S. objectives and foster convergence of positions with an important developing country in ongoing WTO negotiations.